

ORIGINAL

OPEN MEETING



0000132739

MEMORANDUM

RECEIVED

TO: THE COMMISSION

2011 DEC - 9 A 10:34

FROM: Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

DATE: December 9, 2011

RE: MOHAVE ELECTRIC COOPERATIVE, INC. - APPLICATION FOR APPROVAL OF ITS 2012 RENEWABLE ENERGY STANDARD AND TARIFF PLAN AND TARIFF (DOCKET NO. E-01750A-11-0270)

Background

On July 1, 2011, Mohave Electric Cooperative, Inc. ("MEC" or "Mohave") filed an application for approval of its 2012 Renewable Energy Standard and Tariff ("REST") Plan.

Commission Decision No. 72092 (January 20, 2011) approved MEC's Plan for 2011. The 2012 REST Plan maintains the significant features of the 2011 Plan and would expand *Community-Based Projects*. MEC is not seeking any changes to its REST surcharge.

MEC is a rural electric distribution cooperative headquartered in Bullhead City, Arizona, providing electric service to approximately 34,500 members in Mohave, Coconino, and Yavapai counties. MEC owns and operates 109 miles of 69 kV distribution lines and 1,375 miles of other distribution lines. MEC employs approximately 80 employees and provides service to 27 meters per mile of line in its service territory.

MEC is a wholesale power customer of the Arizona Electric Power Cooperative, Inc. ("AEPSCO") and purchases additional wholesale resources from other market providers. In 2010, MEC delivered 655 gigawatt-hours in retail sales to its members. This represents a 2.5% reduction from 2009.

MEC's REST Plan

The MEC REST Plan would include eight component programs intended to achieve annual renewable energy goals, which for 2012 is 1% of retail energy sales, adjusted for projected savings achieved through MEC's EE Plan. The components are:

Arizona Corporation Commission

DOCKETED

DEC - 9 2011

- Voluntary Renewable Energy Program
- Member Self-Directed Renewable Energy Program
- SunWatts Residential and Commercial Incentive Program
- Clean Renewable Energy Bonds ("CREBs")
- SunWatts Large-Scale Program (In conjunction with AEPSCO)
- Analysis of Geothermal Resources Within and Outside of MEC's Service Territory

DOCKETED BY

- Distributed Generation Solar Installation Within MEC's Service Territory
- Community-based Projects

Voluntary Renewable Energy Program

MEC would continue to offer a voluntary program whereby participating customers can purchase "green energy" in 50 kWh blocks at a cost of \$2.00 each. MEC is not proposing any change to this program.

Member Self-Directed Renewable Energy Program

An MEC customer who pays more than \$25,000 annually in renewable energy surcharge funds may apply to MEC to receive funds to install distributed renewable energy resources. MEC is not proposing any change to this program.

SunWatts Residential and Commercial Incentive Program

The SunWatts Incentive Program pays incentives to customers to install photovoltaic ("PV"), solar water heating, and small wind turbine systems. MEC pays \$2.00 per Watt up to 40 percent of the total system cost for residential PV and wind systems up to 5 kW and small commercial PV and wind systems up to 10 kW. For larger systems, up to 50 kW, MEC pays \$1.50 per watt up to 40 percent of the total system cost. There is a dollar cap of \$30,000 for systems installed at a single residence and \$50,000 at a commercial location. Also, the combined generation capacity at the location is limited to a maximum of 125 percent of the total connected load at the location and one installation per service entrance. An incentive of \$0.75 per kWh of energy saved during the first year of operation is paid for residential solar water heating systems.

Since there is no backlog of incentive requests, MEC has not proposed any change to incentive amounts.

Clean Renewable Energy Bonds - PV for Schools

Since MEC had been unable to secure state or federal funding such as CREBs for the PV for Schools program, Decision No. 72092 authorized MEC to provide these systems at no cost to the schools by utilizing up to \$1,000,000 of internal MEC funds as a bridge loan to be repaid with REST funds over ten years at the CREB rate. Schools received \$50,000 from the REST Program and an additional \$10,000 of ARRA funds secured by MEC. Once funds become available, MEC would evaluate the CREBs terms and conditions and use CREBs funding if it is in the best interest of the REST program.

SunWatts Large-Scale Program

MEC would continue to participate with AEPCO on projects.

Analysis of Geothermal Resources Within and Outside of MEC's Service Territory

MEC, in partnership with Navopache Electric Cooperative, retained Black & Veach to conduct a feasibility study with respect to geothermal resources in their service territories. Black & Veach partnered with GeothermEx to collect and evaluate data. The final report from Black & Veach and GeothermEx concludes that a 5 MW geothermal resource is feasible in both service territories with the Navopache location having the highest probability for success. Navopache has initiated a grant application to the U.S. Department of Energy to fund exploratory drilling. MEC would partner with Navopache if the exploratory drilling indicates that the project would proceed to commercial development.

Distributed Generation Solar Installation Within MEC's Service Territory

MEC continues to explore development of a renewable energy project up to 5 MW within its service territory. The project could be either developer-based or MEC's own development. Decision No. 71407 ordered that such a project would count toward meeting the REST rule Renewable Energy Resources requirement but that no determination would be made at that time regarding it meeting the Distributed Renewable Energy Resources requirement. A final determination would be based on the project details when available.

Community-based Projects

Habitat for Humanity/Community Services Program

MEC has partnered with Habitat for Humanity to offer alternative energy options to low income housing in MEC's service area. MEC's REST Plan budget allows for one project per year not to exceed \$25,000. In years where Habitat for Humanity does not designate an eligible low income housing project under this program by July 1 of the year, MEC would select another community-based non-profit organization to receive the project.

PV for Fire Stations

Each year, MEC would select two Fire Stations for PV projects not to exceed \$25,000 each.

Non-profit project

MEC would select an additional non-profit facility to receive a PV system not to exceed \$25,000.

Educational Grant Program

One school per year would be offered up to \$5,000 in educational grants to develop renewable energy curricula.

Administration and Advertising

MEC uses bill inserts, monthly newsletters, television, radio, and community events to advertise and promote its REST programs.

Request for Flexibility to Shift Funds between Programs

MEC is requesting the authority to shift REST Plan funds between programs. MEC would notify Staff of any plan to shift funds no less than 30 days prior to implementing the shift. If Staff notifies MEC in writing that it opposes the shift of funds, no shift would occur unless MEC first secures a Commission order authorizing the shift.

Staff recommends that MEC notify Staff no less than 60 days prior to implementing any shift in funds.

Progress and Goals

MEC has 149 residential and small commercial PV arrays installed within its service territory. The PV arrays range in size from 2 kW to 20 kW and deliver approximately 1,525 MWh annually while reducing MEC's load requirements by about 700 kW.

MEC also has 11 school and government PV installations, ranging in size from 12.5 kW to 50 kW. These PV arrays deliver approximately 395 MWh annually while reducing MEC's load requirements by about 180 kW. MEC has 29 small wind generators installed within its service territory. The wind generators are all rated at 2 kW for a load reduction of 58 kW and an annual delivery of about 93 MWh.

MEC has partnered with several government and non-profit organizations on the following community-based projects:

- Bullhead City Habitat for Humanity installed a 3.5 kW PV array on the area's first Habitat for Humanity house completed in late 2009 at a cost of \$25,000.
- Habitat for Humanity decided not to construct a home in the MEC service area in 2010, so MEC partnered with the Boys and Girls Club to install a renewable energy system at a cost of \$54,000. A private foundation donated \$25,000, with \$4,000 donated by the solar contractor, plus REST Program funding of \$25,000. The system capability is 12.375 kW.
- Another Habitat for Humanity home is currently under construction, and MEC has committed \$25,000 in REST funds for a 5.5 kW PV system on the home.
- MEC has partnered with Bullhead City to install a 50 kW PV system located at City Hall. The system produces approximately 88,296 kWh annually. MEC

advanced the \$394,000 cost of the project which was funded by a combination of federal grant monies and REST funds. Approximately \$53,000 will be repaid from energy savings to the REST fund by Bullhead City, with no interest, over the 25-year life of the project.

- Under the "PV for Schools" program for 2009, 2010 and 2011, all eligible schools in MEC's service territory received PV systems through the approved REST Plans. The systems averaged 16 kW at each school. MEC was also approved to provide these systems at no cost to the schools by utilizing up to \$1,000,000 of internal MEC funds. Schools received \$50,000 from the REST Program and an additional \$10,000 of ARRA funds secured by MEC.
- Mohave Community College, Bullhead City Campus received \$150,000 for a 40 kW PV system currently under construction. REST funds provided \$50,000, private foundation funds \$25,000, and a \$75,000 match in ARRA funds, all facilitated by MEC.
- MEC continues its Willcox Greenhouse Geothermal Project agreement with Sulphur Springs Valley Electric Cooperative and AEPCO. The project has provided approximately 1,725,647 RECs to MEC.


Budget

MEC has proposed the budget shown below in Table 1. The proposal for 2012 is an increase over the approved 2011 REST budget (from \$1.521 million to \$1.827 million).

Staff recommends that Mohave be allowed to shift funds between programs with the following restrictions:

- a.) No more than 15% of a Program's approved budget may be affected by the shift.
- b.) Mohave would notify Staff of any plan to shift funds no less than 60 days prior to implementing the shift.
- c.) If Staff notifies Mohave in writing that it opposes the shift of funds, no shift would occur unless Mohave first secures a Commission order authorizing the shift.
- d.) Within 60 days following any funds shift, Mohave would submit to Staff a revised budget recognizing the shift of funds.

Staff recommends that the Commission order Mohave to work with Arizona Public Service Company and Tucson Electric Power Company in an effort to establish a REST Format Working Group that would meet periodically with all other utility representatives to develop standardized template formats for both REST Implementation Plans and REST Compliance Reports. Staff recognizes that each utility is unique in a number of ways, so Staff suggests that templates have two parts: mandatory information and optional/other information. The first part would be detailed and identical in format. The second part would be an optional portion with a flexible format that would vary by utility. The Working Group would solicit input, suggestions, and detailed recommendations for stakeholders and the general public. In addition to developing the templates of Implementation Plans and Compliance Reports, the Working Group would develop templates for detailed spreadsheets that would be made available to the public on both the utility website and the ArizonaGoesSolar.org website.



Steven M. Olea
Director
Utilities Division

SMO:JP:red\SH

ORIGINATOR: Jeffrey Pasquinelli

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 GARY PIERCE
 Chairman

3 BOB STUMP
 Commissioner

4 SANDRA D. KENNEDY
 Commissioner

5 PAUL NEWMAN
 Commissioner

6 BRENDA BURNS
 Commissioner

7
8 IN THE MATTER OF MOHAVE)
9 ELECTRIC COOPERATIVE, INC. -)
10 APPLICATION FOR APPROVAL OF ITS)
11 2012 RENEWABLE ENERGY STANDARD)
12 AND TARIFF PLAN AND TARIFF)
13 _____
14

DOCKET NO. E-01750A-11-0270

DECISION NO. _____

ORDER

12 Open Meeting
13 January 10 and 11, 2012
14 Phoenix, Arizona

15 BY THE COMMISSION:

16 **FINDINGS OF FACT**

17 **Background**

18 1. Mohave Electric Cooperative, Inc. ("MEC" or "Mohave") is engaged in providing
19 electric service within Arizona, pursuant to authority granted by the Arizona Corporation
20 Commission ("Commission").

21 2. On July 1, 2011, MEC filed an application for approval of its 2012 Renewable
22 Energy Standard and Tariff ("REST") Plan.

23 3. Commission Decision No. 72092 (January 20, 2011) approved MEC's Plan for
24 2011. The 2012 REST Plan maintains the significant features of the 2011 Plan and would expand
25 Community-Based Projects. MEC is not seeking any changes to its REST surcharge.

26 4. MEC is a rural electric distribution cooperative headquartered in Bullhead City,
27 Arizona, providing electric service to approximately 34,500 members in Mohave, Coconino, and
28 Yavapai counties. MEC owns and operates 109 miles of 69 kV distribution lines and 1,375 miles

of other distribution lines. MEC employs approximately 80 employees and provides service to 27 meters per mile of line in its service territory.

5. MEC is a wholesale power customer of the Arizona Electric Power Cooperative, Inc. ("AEPCO") and purchases additional wholesale resources from other market providers. In 2010, MEC delivered 655 gigawatt-hours in retail sales to its members. This represents a 2.5% reduction from 2009.

MEC's REST Plan

6. The MEC REST Plan would include eight component programs intended to achieve annual renewable energy goals, which for 2012 is 1% of retail energy sales, adjusted for projected savings achieved through MEC's EE Plan. The components are:

- Voluntary Renewable Energy Program
- Member Self-Directed Renewable Energy Program
- SunWatts Residential and Commercial Incentive Program
- Clean Renewable Energy Bonds ("CREBs")
- SunWatts Large-Scale Program (In conjunction with AEPCO)
- Analysis of Geothermal Resources Within and Outside of MEC's Service Territory
- Distributed Generation Solar Installation Within MEC's Service Territory
- Community-based Projects

Voluntary Renewable Energy Program

7. MEC would continue to offer a voluntary program whereby participating customers can purchase "green energy" in 50 kWh blocks at a cost of \$2.00 each. MEC is not proposing any change to this program.

Member Self-Directed Renewable Energy Program

8. An MEC customer who pays more than \$25,000 annually in renewable energy surcharge funds may apply to MEC to receive funds to install distributed renewable energy resources. MEC is not proposing any change to this program.

...

...

SunWatts Residential and Commercial Incentive Program

9. The SunWatts Incentive Program pays incentives to customers to install photovoltaic ("PV"), solar water heating, and small wind turbine systems. MEC pays \$2.00 per Watt up to 40 percent of the total system cost for residential PV and wind systems up to 5 kW and small commercial PV and wind systems up to 10 kW. For larger systems, up to 50 kW, MEC pays \$1.50 per watt up to 40 percent of the total system cost. There is a dollar cap of \$30,000 for systems installed at a single residence and \$50,000 at a commercial location. Also, the combined generation capacity at the location is limited to a maximum of 125 percent of the total connected load at the location and one installation per service entrance. An incentive of \$0.75 per kWh of energy saved during the first year of operation is paid for residential solar water heating systems.

10. Since there is no backlog of incentive requests, MEC has not proposed any change to incentive amounts.

Clean Renewable Energy Bonds - PV for Schools

11. Since MEC had been unable to secure state or federal funding such as CREBs for the PV for Schools program, Decision No. 72092 authorized MEC to provide these systems at no cost to the schools by utilizing up to \$1,000,000 of internal MEC funds as a bridge loan to be repaid with REST funds over ten years at the CREB rate. Schools received \$50,000 from the REST Program and an additional \$10,000 of ARRA funds secured by MEC. Once funds become available, MEC would evaluate the CREBs terms and conditions and use CREBs funding if it is in the best interest of the REST program.

SunWatts Large-Scale Program

12. MEC would continue to participate with AEPCO on large-scale projects.

Analysis of Geothermal Resources Within and Outside of MEC's Service Territory

13. MEC, in partnership with Navopache Electric Cooperative, retained Black & Veach to conduct a feasibility study with respect to geothermal resources in their service territories. Black & Veach partnered with GeothermEx to collect and evaluate data. The final report from Black & Veach and GeothermEx concludes that a 5 MW geothermal resource is feasible in both service territories with the Navopache location having the highest probability for success.

1 Navopache has initiated a grant application to the U.S. Department of Energy to fund exploratory
2 drilling. MEC would partner with Navopache if the exploratory drilling indicates that the project
3 would proceed to commercial development.

4 Distributed Generation Solar Installation Within MEC's Service Territory

5 14. MEC continues to explore development of a renewable energy project up to 5 MW
6 within its service territory. The project could be either developer-based or MEC's own
7 development. Decision No. 71407 ordered that such a project would count toward meeting the
8 REST rule Renewable Energy Resources requirement but that no determination would be made at
9 that time regarding it meeting the Distributed Renewable Energy Resources requirement. A final
10 determination would be based on the project details when available.

11 Community-based Projects

12 *Habitat for Humanity/Community Services Program*

13 15. MEC has partnered with Habitat for Humanity to offer alternative energy options to
14 low income housing in MEC's service area. MEC's REST Plan budget allows for one project per
15 year not to exceed \$25,000. In years where Habitat for Humanity does not designate an eligible
16 low income housing project under this program by July 1 of the year, MEC would select another
17 community-based non-profit organization to receive the project.

18 *PV for Fire Stations*

19 16. Each year, MEC would select two Fire Stations for a PV project not to exceed
20 \$25,000 each.

21 *Non-profit project*

22 17. MEC would select an additional non-profit facility to receive a PV system not to
23 exceed \$25,000.

24 Educational Grant Program

25 18. One school per year would be offered up to \$5,000 in educational grants to develop
26 renewable energy curricula.

27 ...

28 ...

1 Administration and Advertising

2 19. MEC uses bill inserts, monthly newsletters, television, radio, and community events
3 to advertise and promote its REST programs.

4 Request for Flexibility to Shift Funds between Programs

5 20. MEC is requesting the authority to shift REST Plan funds between programs. MEC
6 would notify Staff of any plan to shift funds no less than 30 days prior to implementing the shift.
7 If Staff notifies MEC in writing that it opposes the shift of funds, no shift would occur unless MEC
8 first secures a Commission order authorizing the shift.

9 21. Staff recommends that MEC notify Staff no less than 60 days prior to implementing
10 any shift in funds.

11 Progress and Goals

12 22. MEC has 149 residential and small commercial PV arrays installed within its
13 service territory. The PV arrays range in size from 2 kW to 20 kW and deliver approximately
14 1,525 MWh annually while reducing MEC's load requirements by about 700 kW.

15 23. MEC also has 11 school and government PV installations, ranging in size from 12.5
16 kW to 50 kW. These PV arrays deliver approximately 395 MWh annually while reducing MEC's
17 load requirements by about 180 kW. MEC has 29 small wind generators installed within its
18 service territory. The wind generators are all rated at 2 kW for a load reduction of 58 kW and an
19 annual delivery of about 93 MWh.

20 24. MEC has partnered with several government and non-profit organizations on the
21 following community-based projects:

- 22 ▪ Bullhead City Habitat for Humanity installed a 3.5 kW PV array on the area's first
23 Habitat for Humanity house completed in late 2009 at a cost of \$25,000.
- 24 ▪ Habitat for Humanity decided not to construct a home in the MEC service area in
25 2010, so MEC partnered with the Boys and Girls Club to install a renewable energy
26 system at a cost of \$54,000. A private foundation donated \$25,000, with \$4,000
27 donated by the solar contractor, plus REST Program funding of \$25,000. The
28 system capability is 12.375 kW.

- 1 ▪ Another Habitat for Humanity home is currently under construction, and MEC has
2 committed \$25,000 in REST funds for a 5.5 kW PV system on the home.
- 3 ▪ MEC has partnered with Bullhead City to install a 50 kW PV system located at City
4 Hall. The system produces approximately 88,296 kWh annually. MEC advanced
5 the \$394,000 cost of the project which was funded by a combination of federal
6 grant monies and REST funds. Approximately \$53,000 will be repaid from energy
7 savings to the REST fund by Bullhead City, with no interest, over the 25-year life
8 of the project.
- 9 ▪ Under the "PV for Schools" program for 2009, 2010 and 2011, all eligible schools
10 in MEC's service territory received PV systems through the approved REST Plans.
11 The systems averaged 16 kW at each school. MEC was also approved to provide
12 these systems at no cost to the schools by utilizing up to \$1,000,000 of internal
13 MEC funds. Schools received \$50,000 from the REST Program and an additional
14 \$10,000 of ARRA funds secured by MEC.
- 15 ▪ Mohave Community College, Bullhead City Campus received \$150,000 for a 40
16 kW PV system currently under construction. REST funds provided \$50,000,
17 private foundation funds \$25,000, and a \$75,000 match in ARRA funds, all
18 facilitated by MEC.
- 19 ▪ MEC continues its Willcox Greenhouse Geothermal Project agreement with
20 Sulphur Springs Valley Electric Cooperative and AEPCO. The project has
21 provided approximately 1,725,647 RECs to MEC.

22 Budget

23 25. MEC has proposed the budget shown below in Table 1. The proposal for 2012 is
24 an increase over the approved 2011 REST budget (from \$1.521 million to \$1.827 million).

25 ...

26 ...

27 ...

28 ...

Table 1
Mohave Electric Cooperative
Renewable Energy Resources Budget
Five-Year Forecast

	2012	2013	2014	2015	2016
<u>Revenues</u>					
RES Funding	1,587,038	1,602,909	1,618,938	1,635,127	1,651,478
Carry Forward Funding	240,000				
Tariff Revenues	1,827,038	1,602,909	1,618,938	1,635,127	1,651,478
<u>Expenditures</u>					
Residential and Commercial Incentives	777,177	578,048	594,077	610,266	626,617
5 MW Distributed Generation-Solar	548,884	548,884	548,884	548,884	548,884
PV For Schools Loan Repayment	107,689	107,689	107,689	107,689	107,689
GO SOLAR Website	1,744	1,744	1,744	1,744	1,744
Solar Water Heating	18,000	18,000	18,000	18,000	18,000
GeoThermal Resources-Willcox Greenhouse	29,544	29,544	29,544	29,544	29,544
Administration & Advertising	244,000	219,000	219,000	219,000	219,000
Habitat for Humanity	25,000	25,000	25,000	25,000	25,000
Fire Department Complex	50,000	50,000	50,000	50,000	50,000
Other Programs	25,000	25,000	25,000	25,000	25,000
Total Expenditures	1,827,038	1,602,909	1,618,938	1,635,127	1,651,478

Funding and Surcharge

26. Staff has reviewed MEC's proposed Renewable Energy Standard Tariff which sets forth the surcharge rates and monthly maximums to be collected to fund its annual budget for 2012 and which are unchanged from presently-approved rates. Impact of the tariff on customer bills is shown in Table 2. Proposed surcharge rates and expected revenue from customer classes are shown in Table 3.

...

...

Table 2
Mohave Electric Cooperative
2012 REST Funding from Surcharge

Customer Class	Monthly Cap	Avg Bill	Customers at Cap
Residential	\$3.10	\$2.66	73.22%
Governmental	\$15.00	\$3.12	9.18%
Irrigation	\$49.00	\$27.66	46.30%
Small Commercial	\$49.00	\$9.73	6.32%
Large Power	\$49.00	\$46.16	94.62%
Highway	\$3.10	\$0.00	0.00%
Non-Residential ≥ 3 MW	\$147.00	\$147.00	100.00%
Government or Agricultural ≥ 3 MW	\$49.00	\$0.00	0.00%

Table 3
Mohave Electric Cooperative
2012 REST Funding from Surcharge

Customer Class	Energy Charge (\$/kWh)	Revenue	kWh
Residential	0.0095006	\$1,113,284 (70.1%)	117,180,371 (53.6%)
Governmental	0.0009420	\$14,632 (0.9%)	15,532,472 (7.1%)
Irrigation	0.0053714	\$9,403 (0.6%)	2,137,533 (1.0%)
Small Commercial	0.0053714	\$400,736 (25.3%)	74,605,461 (34.1%)
Large Power	0.0053714	\$47,220 (3.0%)	8,970,947 (4.1%)
Highway	0.0095006	\$0 (0.0%)	0 (0.0%)
Non-Residential ≥ 3 MW	0.0053714	\$1,764 (0.1%)	328,392 (0.2%)
Government or Agricultural ≥ 3 MW	0.0009420	\$0 (0.0%)	0 (0.0%)
Total		\$1,587,039 (100.0%)	218,755,176 (100.0%)

Recommendations

27. Staff has recommended that Mohave's proposed 2012 Renewable Energy Standard Plan and Tariff be approved as discussed herein.

28. Staff has recommended that Mohave's Renewable Energy Standard Tariff rates and caps remain at present levels as proposed and as shown in Tables 2 and 3 herein.

29. Staff has recommended that Mohave's incentive amounts remain at present levels.

...

30. Staff has recommended that Mohave be allowed to shift funds between programs

- a. No more than 15% of a Program's approved budget may be affected by the shift.

31. Staff has recommended that the Commission order Mohave to work with Arizona

22

1. Mohave Electric Cooperative, Inc. is an Arizona public service corporation within

2. The Commission has jurisdiction over Mohave Electric Cooperative, Inc. and over

27

28

3. The Commission, having reviewed the application and Staff's Memorandum dated December 9, 2011, concludes that it is in the public interest to approve the Mohave Electric Cooperative, Inc.'s 2012 REST Implementation Plan as discussed herein.

ORDER

IT IS THEREFORE ORDERED that Mohave Electric Cooperative, Inc.'s proposed 2012 REST implementation plan be approved as discussed herein.

IT IS THEREFORE ORDERED that Mohave Electric Cooperative, Inc.'s Renewable Energy Standard Tariff rates and caps remain at present levels as proposed and as shown in Tables 2 and 3 herein.

IT IS THEREFORE ORDERED that Mohave Electric Cooperative, Inc.'s incentive amounts remain at present levels.

IT IS THEREFORE ORDERED that Mohave Electric Cooperative, Inc. be allowed to shift funds between programs with the following restrictions:

- a. No more than 15% of a Program's approved budget may be affected by the shift.
- b. Mohave would notify Staff of any plan to shift funds no less than 60 days prior to implementing the shift.
- c. If Staff notifies Mohave in writing that it opposes the shift of funds, no shift would occur unless Mohave first secures a Commission order authorizing the shift.
- d. Within 60 days following any funds shift, Mohave would submit to Staff a revised budget recognizing the shift of funds.

IT IS FURTHER ORDERED that Mohave Electric Cooperative, Inc. work with Arizona Public Service Company and Tucson Electric Power Company in an effort to establish a REST Format Working Group as discussed herein.

...

...

• • •

...

...

1 IT IS FURTHER ORDERED that Mohave Electric Cooperative, Inc. file in Docket Control
2 a Renewable Energy Standard Tariff consistent with the Decision in this case within 15 days of the
3 effective date of the Decision.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5
6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

7
8 _____
CHAIRMAN

COMMISSIONER

9
10
11 _____
COMMISSIONER

COMMISSIONER

COMMISSIONER

12
13 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
14 Executive Director of the Arizona Corporation Commission,
15 have hereunto, set my hand and caused the official seal of this
16 Commission to be affixed at the Capitol, in the City of Phoenix,
17 this _____ day of _____, 2011.

18 _____
ERNEST G. JOHNSON
19 EXECUTIVE DIRECTOR

20 DISSENT: _____

21
22 DISSENT: _____

23 SMO:JJP:red\SH
24
25
26
27
28

1 SERVICE LIST FOR: Mohave Electric Cooperative, Inc.;
2 DOCKET NO. E-01750A-11-0270

3 Mr. Michael Curtis
4 Mr. William Sullivan
5 Curtis, Goodwin, Sullivan, Udall, & Schwab, P.L.C.
6 501 E. Thomas Rd
7 Phoenix, Arizona 85012

8 Mr. Tyler Carlson
9 Ms. Peggy Gillman
10 Mohave Electric Cooperative
11 PO Box 1045
12 Bullhead City, Arizona 86430

13 Mr. Steven M. Olea
14 Director, Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Ms. Janice M. Alward
19 Chief Counsel, Legal Division
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007